



LODI CITY COUNCIL

Carnegie Forum
305 West Pine Street, Lodi

AGENDA - Lodi Financing Corporation

Date: September 5, 2007

Time: 7:00 p.m.

For information regarding this Agenda please contact:

Randi Johl

City Clerk

Telephone: (209) 333-6702

MEETING OF THE **Lodi Financing Corporation**

- A. Call to order – President
- B. Roll call to be recorded by Secretary
- Res. C. Adopt Resolution Declaring the Intent of the Lodi Financing Corporation to Reimburse Certain Expenditures from Proceeds of Indebtedness for Wastewater Projects (CM)
- D. Other business
- E. Comments by public on non-agenda items
- F. Adjournment

Pursuant to Section 54954.2(a) of the Government Code of the State of California, this agenda was posted at least 72 hours in advance of the scheduled meeting at a public place freely accessible to the public 24 hours a day.

Jennifer M. Peusi
for Randi Johl
Secretary
Lodi Financing Corporation



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CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Meeting of the Lodi Financing Corporation for the Purpose of Adopting Resolution Declaring its Intent to Reimburse Certain Expenditures from Proceeds of Indebtedness for Wastewater Projects

MEETING DATE: September 5, 2007

PREPARED BY: City Manager

RECOMMENDED ACTION: Adopt a resolution declaring the intent of the Lodi Financing Corporation to reimburse certain expenditures from proceeds of indebtedness for wastewater projects.

BACKGROUND INFORMATION: The City of Lodi has entered into the Phase 3 construction project of the White Slough Water Pollution Control Facility, which is necessary to meet current and anticipated State of California regulatory requirements and improve treatment process reliability.

The City is also planning to rehabilitate approximately five (5) miles of the Domestic Outfall Pipeline, a 48-inch diameter reinforced concrete pipe initially installed during the late 1960's. The Phase 3 project is underway and the intended financing will be needed to pay for final project costs. Staff anticipates the initial phases of the pipelines work to commence in 2008.

In order to recapture what are deemed as reimbursable expenses from future bond proceeds, Council adopted a resolution at its meeting of August 1, 2007, declaring this intent. The resolution does not commit the City to make any expenditures, incur any indebtedness, seek other financing means, or proceed with the project. The resolution only provides the City with the ability to seek reimbursements for already incurred and future cost should the City proceed with Certificates of Participation in the future. This resolution is solely for the purposes of establishing compliance with the requirements of Section 1.150-2 of the Treasury Regulations.

It is necessary for the Lodi Financing Corporation to adopt a resolution as well declaring this intent.

FISCAL IMPACT: The City's Financial Advisor, Tom Dunphy, has recommended taking this step, but he is also assisting the City in looking at alternatives to COP financing.

FUNDING AVAILABLE: Not applicable.

A handwritten signature in black ink, appearing to read "Blair King".

Blair King
City Manager

BK/imp
cc

Stephen Schwabauer, City Attorney
Charles Swinley, Water Services Manager
Tom Dunphy

APPROVED:

A handwritten signature in black ink, appearing to read "Blair King".

Blair King, City Manager

RESOLUTION NO. LFC-I6

A RESOLUTION OF THE LODI FINANCING CORPORATION
DECLARING ITS INTENT TO REIMBURSE CERTAIN
EXPENDITURES FROM PROCEEDS OF INDEBTEDNESS

DRAFT

WHEREAS, the City of Lodi (the "City") owns and operates a wastewater system (the "System") serving the City and its inhabitants; and

WHEREAS, the City intends to acquire, install, and construct additions, replacements, and improvements to the System, including outfall relocation, secondary plant improvements, a treatment wetland, and other improvements (the "Project"); and

WHEREAS, the City expects to pay certain expenditures (the "Reimbursement Expenditures") in connection with the Project prior to the issuance of indebtedness for the purpose of financing costs associated with the Project on a long-term basis; and

WHEREAS, the City reasonably expects that debt obligations in an amount not expected to exceed \$28,000,000 will be issued in connection with the Project and that certain of the proceeds of such debt obligations will be used to reimburse the Reimbursement Expenditures; and

WHEREAS, proceeds of such debt obligations will be allocated to reimbursement expenditures no later than 18 months after the later of (i) the date the cost is paid, or (ii) the date the Project (or each component thereof) is placed in service or abandoned (but in no event more than three years after the cost is paid).

NOW, THEREFORE, BE IT RESOLVED by the Lodi Financing Corporation as follows:

Section 1. The Corporation finds and determines that the foregoing recitals are true and correct.

Section 2. The Corporation hereby declares its official intent to use proceeds of indebtedness to reimburse itself for Reimbursement Expenditures.

Section 3. This declaration is made solely for purposes of establishing compliance with the requirements of Section 1.150-2 of the Treasury Regulations. This declaration does not bind the Corporation to make any expenditure, incur any indebtedness, or proceed with the Project.

Section 4. This resolution shall take effect from and after its adoption.

Dated: September 5, 2007

I hereby certify that Resolution No. LFC-I6 was passed and adopted by the Lodi Financing Corporation in a special meeting held September 5, 2007, by the following vote:

AYES: DIRECTORS -

NOES: DIRECTORS -

ABSENT: DIRECTORS -

ABSTAIN: DIRECTORS -

RANDI JOHL
Secretary